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**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITORS' REPORT**

and

**INDEPENDENT AUDITORS' REPORTS ON INTERNAL ACCOUNTING CONTROL  
AND COMPLIANCE AND OTHER MATTERS**

For the Year Ended March 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

10/20/10

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#### INTERNAL ACCOUNTING CONTROL AND COMPLIANCE AND OTHER MATTERS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
St. Mary Community Action Committee  
Association, Inc.  
Franklin, Louisiana

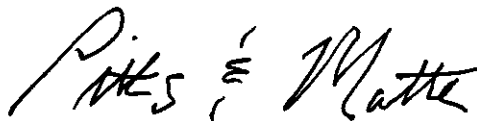
We have audited the accompanying statement of financial position of St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of March 31, 2010, and the related statements of activity and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary Community Action Committee Association, Inc. as of March 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2010, on our consideration of St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of St. Mary Community Action Committee Association, Inc. taken as a whole. The statements of activity by program are presented for additional analysis and are not a required part of the basic financial statements of the St. Mary Community Action Committee Association, Inc. The accompanying schedule of expenditures of federal awards and related notes are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and are also not a required part of the basic financial statements of St. Mary Community Action Committee Association, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

September 27, 2010

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2010

ASSETS

Current assets

Cash	\$ 853,380
Grants receivable	469,480
Notes receivable - current portion	88

Total current assets 1,322,948

Inventory - subdivision development	130,010
Fixed assets - less accumulated depreciation	7,155,849

Total assets \$ 8,608,807

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 474,765
Retainage payable	78,229
Note payable	184,000

Total current liabilities 736,994

Net assets

Unrestricted 454,860

Temporarily restricted for:

Fixed assets with explicit restrictions on use	5,164,131
Fixed assets under construction	1,545,752
Housing programs	337,768
Emergency assistance programs	111,671
Youth programs	157,156
Job assistance programs	100,366
Administration	109

7,416,953

Total net assets 7,871,813

Total liabilities and net assets \$ 8,608,807

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

**STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2010**

Support	
Grants	
Federal	\$ 1,787,245
State	289,411
Local	115,900
Contributions	313,300
Other	116,522
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>5,939,403</u>
 Total unrestricted support	 <u>8,561,781</u>
 Expenses	
Head Start programs	5,451,775
Housing assistance programs	2,061,251
Transportation programs	348,272
Family and childrens programs	453,446
Emergency assistance programs	25,433
Other general assistance	85,985
Management and general	<u>342,367</u>
 Total unrestricted expenses	 <u>8,768,529</u>
 Decrease in unrestricted net assets	 <u>(206,748)</u>
 Changes in temporarily restricted net assets:	
Support	
Grants	
Federal	8,290,514
State	11,908
Local	20,000
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>(5,939,403)</u>
 Increase in temporarily restricted net assets	 <u>2,383,019</u>
 Increase in net assets	 2,176,271
 Net assets at March 31, 2009	 <u>5,695,542</u>
 Net assets at March 31, 2010	 <u>\$ 7,871,813</u>

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended March 31, 2010**

Cash flows from operating activities:	
Received from grantors	\$ 10,794,968
Donations	20,000
Other revenues	429,822
Paid to employees	(3,772,066)
Paid to vendors	<u>(5,245,024)</u>
Net cash provided by operating activities	<u>2,227,700</u>
Cash flows from investing activities:	
Purchase of fixed assets	(1,745,765)
Inventory of homes	(130,010)
Payments received on loans	<u>1,259</u>
Net cash used in investing activities	<u>(1,874,516)</u>
Net increase in cash and cash equivalents	353,184
Cash and cash equivalents at beginning of year	<u>500,196</u>
Cash and cash equivalents at end of year	<u>\$ 853,380</u>

Reconciliation of change in net assets to net cash  
provided by operating activities:

Change in net assets:		\$ 2,176,271
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 114,254	
Decrease in grants receivable	299,990	
Decrease in accounts payable and accrued expenses	<u>(362,815)</u>	
		<u>51,429</u>
Net cash provided by operating activities		<u>\$ 2,227,700</u>

NOTES:

The Association received noncash contributions of food commodities, building usage, and professional services totaling \$313,300 during the year.

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2010

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements follows:

The Association is a not-for-profit corporation designated as St. Mary Parish's official agency for the enactment and oversight of many social, education, and welfare programs for the citizens of St. Mary Parish, Louisiana; including the operation of the local Head Start program. In addition, the Association also operates the Head Start program and certain other programs for Vermillion Parish. The Association receives Federal, state, and local funding to operate its various programs.

The following is a summary of the programs and their primary functions applicable to the Association during the year ended March 31, 2010:

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
General	Various	General operations.
Head Start #22	U.S. Dept. of Health and Human Services	To provide comprehensive health, educational, nutritional, social, and other services to economically disadvantaged preschool children and to provide parents with training and education to foster their understanding of and involvement in the development of their children.
Child and Adult Care Food Program	U.S. Dept. of Agriculture	To supply supplemental nutritious foods and nutrition education to low-income families.
Fatherhood National	U.S. Dept. Of Health and Human Services	To provide assistance and counseling to promote a healthy relationship between the parent and the child.



NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Fatherhood State	State of Louisiana Office of Family Services	To provide assistance and counseling to promote a healthy relationship between the parent and child.
Community Services Block Grant (CSBG)	U.S. Dept. of Health and Human Services	To provide administrative assistance to non-profit community service organizations.
Revolving Loan Program	U.S. Dept. Of Agriculture	To provide loans to small businesses located in rural areas.
Jobs for American Graduates (JAG)	U.S. Dept. Of Labor and State of Louisiana Dept. of Education	To provide a comprehensive out-of-school program that targets young people who have left the education system. Goals of the program include: attaining a GED, a marketable skill and a quality job with good career potential.
Transitional Housing	U.S. Dept. of Housing and Urban Development	To help eligible clients obtain and remain in permanent housing and increase their skills and/or Income.
HUD Homeless	U.S. Dept. of Housing and Urban Development	To provide assistance to eligible clients with utility assistance, rental assistance, deposits, foods, clothes, case management and life skills training that will strengthen, promote quality, and guide families into self sufficiency.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Parish Council	St. Mary Parish Council, U.S. Dept. of Health and Human Services, U.S. Dept. of Transportation and State of Louisiana Dept. Of Transportation	To supplement transport- ation services.
OCS Wrap Around	U.S. Dept. Of Health and Human Services	To provide a full-day, full-year program for children to receive a quality education and early childhood development.
LIHEAP Utility Payments	U.S. Dept. of Health and Human Services	To assist eligible households to meet home energy costs.
Medicaid	State of Louisiana Dept. Of Treasury	To provide assistance to eligible individuals to qualify them to receive Medicaid benefits.
Weatherization	U.S. Dept. of Energy	To weatherize dwellings of low-income individuals.
Head Start Construction	U.S. Dept. of Health and Human Services	To provide funds for the construction of Head Start Centers.
Rural Development Training and Technical Assistance	U.S. Dept. of Agriculture	To provide training and technical assistance for potential, new, and emerg- ing business owners by providing online small business courses.
FEMA Emergency Assistance	Federal Emergency Management Agency	To assist eligible clients with utility, rent, emergency shelter, and food assistance.
Summer Feeding	U.S. Dept. of Agriculture	To supply nutritious foods to children during summer months.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Emergency Shelter	U.S. Dept. of Health and Human Services	To provide emergency housing for victims of fire, floods, storms and other natural disasters.
Housing Department	Earned fees and other	To provide housing assistance, counseling, etc. regarding home ownership
Katrina Fund	Various private foundations and local donations	Use donations to provide assistance to persons affected by Hurricanes Katrina and Rita. These funds will aid the agency in assisting persons affected by the disaster.
Affordable Housing (Faith Place)	Federal Home Loan Bank of Dallas and Louisiana Housing Finance Agency	To provide affordable housing through development and construction.
Isaiah's House	Rent Revenue	To provide safe and affordable housing in the form of rental property to residents of St. Mary Parish.
Head Start ARRA Stimulus	U.S. Dept. of Health and Human Services	To bring Head Start staff salaries comparable to local school systems, and to meet federal required salary levels, to purchase needed equipment; and to make repairs.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
CSBG ARRA Stimulus	U.S. Dept. of Health and Human Services	To help unemployed and underemployed by creating and maintaining new jobs through Culinary Institute; assist those persons with utility, rental assistance, transportation, child care, job skills, and referrals.
Weatherization Stimulus	U.S. Dept. of Energy	To weatherize additional number of dwellings of low-income individuals.

### Basis of Accounting

*The accrual basis of accounting is generally used by the Association.*

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that *affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.* Actual results could differ from those estimates.

### Inventory – Subdivision Development

It is the intension of the Association to subsidize the purchase price of homes to certain qualified low income buyers. Therefore, the value of inventory of homes in the Subdivision Development program is valued at contractual sales price (which is lower than construction costs or estimated fair value).

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Support and Revenues

A significant portion of the Association's support and revenue is in the form of grants and contributions from governmental agencies and other groups. Contributions are generally reported as temporarily restricted, if they are received with donor stipulations. Significant grants are also accounted for as temporarily restricted if the value received by the grant provider is only incidental to the public benefit provided by use of the grant funds. When the stipulations of the grantor or donor are met, then these assets are reclassified as unrestricted and reported in the statement of activity and changes in net assets as net assets released from restrictions. The Association receives some grants which would normally be accounted for as temporarily restricted. However, when the Association meets grantor restrictions in the same year as the grant funds are received, these grants are reported as unrestricted.

Grant funds received from grant providers, who receive significant value in exchange for grant funds, are accounted for as exchange transactions and revenue is recognized as services are performed.

### Expenses

Assets or expenses and their related liabilities are recorded when the related goods or services are received by the Association.

### Utilization of Contributed Goods, Services or Facilities

In general contributed goods and facilities that meet the proper criteria are recorded as items of support or revenue with a like amount recorded as expense upon receipt at fair market value.

In accordance with FASB Accounting Standards Codification, contributions of services shall be recognized only if the services received a) create or enhance nonfinancial assets or b) require specialized skills and the person providing the service possesses the specialized skill.

### Fixed Assets

Purchased furniture, fixtures, and other equipment are valued at their actual cost or estimated cost. Contributed items are valued at their estimated fair market value at the date of the contribution. Fixed assets are depreciated over their estimated useful lives on the straight-line basis.

Fixed assets purchased with grantor funds may need to be used for a specific purpose or time period and returned to the grantor, sold or retained by the organization in accordance with the respective grant agreements upon program completion. The Association accounts for the acquisition of fixed assets in one of two ways depending upon grantor restriction as shown below:

1. If the grantor does not stipulate the use, timeframe, and disposition of the fixed assets then the Association records fixed assets as unrestricted support when the assets are placed in service.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

2. If the grantor specifies a particular use but no timeframe it is the Association's policy to record the fixed assets as restricted support and increase temporarily restricted net assets. The Association then records depreciation over the asset's useful life and net assets are periodically reclassified from temporarily restricted to unrestricted as the asset is depreciated.

Funds received that are restricted to the construction of fixed assets are reported as restricted support that increase temporarily restricted net assets, those restrictions expire when the construction is complete and the fixed assets are placed into service, at which time they are accounted for as described in 1 or 2 above.

### Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. An accrual is made for the amount of compensation the employees will receive in the future based upon services performed through March 31, 2010. The amount accrued at March 31, 2010 is approximately \$68,000.

### Net assets

In accordance with the FASB Accounting Standards Codification, the Association must report net assets in each of the following three classes:

- a. permanently restricted - net assets in this category are restricted by grantor or donor imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.
- b. temporarily restricted - net assets in this category are restricted by grantor or donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization.
- c. unrestricted - net assets in this category are not restricted by grantor or donor imposed restrictions.

The Association has unrestricted and temporarily restricted net assets.

The temporary restrictions result from grants or donations received with restrictions that expire when those grantor or donor imposed stipulations have been met. Once the stipulation related to the restriction has been met these temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Association considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

### Income Tax Status

The Association operates as a not-for-profit organization. It is accorded tax exempt status under Section 501 (c) (3) of the Internal Revenue Code.

## NOTE 2 - INVENTORY – SUBDIVISION DEVELOPMENT

During the year the Association developed Morgan City Heights, a small single family subsidized residential subdivision. The City of Morgan City donated to the Association four developed lots in a subdivision in Morgan City, Louisiana valued at \$5,000 each. In addition, the Association received a grant through the Louisiana Housing Finance Agency (LHFA) from the Home Investment Partnership Program (HOME) from HUD. *This grant was used to supplement the construction costs of the homes. It is the intent of the Association to make the sales price of the homes affordable to lower income buyers by recovering only a portion of the construction costs of the homes, not the fair value of the homes.* Construction of all four homes was complete as of March 31, 2010. During the year ended March 31, 2010, two of the homes were sold at a sales price of \$55,000 each, in addition, rental agreements with options to purchase, (at a price of \$65,000, each), were obtained on the two remaining homes.

It was not the intent of the Association, nor its funding grantors, to recover the construction costs of these homes from the sales price. Because of this, the difference between the construction costs and sales price of the two homes sold is reported as housing assistance in the these financial statements rather than a loss on sales of real estate. The value of the two remaining homes subject to rental purchase option have been reduced to the option price and is reported on the Association balance sheet at \$130,010 (\$65,005 each), and the difference in the construction costs and agreed upon option price is also reported as housing assistance.

### NOTE 3 - FIXED ASSETS

The following is a summary of fixed assets by major category with their related estimated useful lives:

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Land	\$ 116,000	
Buildings	5,529,469	35 years
Vehicles	1,187,198	3 years
Furniture and fixtures	85,384	5 years
Machinery and equipment	976,453	5 years
Leasehold improvements	96,471	5 years
Construction in process	<u>1,655,336</u>	
Total	9,646,311	
Less: accumulated depreciation	<u>2,490,462</u>	
	<u>\$ 7,155,849</u>	

Depreciation for the year ended March 31, 2010 totaled approximately \$114,000.

Certain grant requirements restrict the use of certain fixed assets. Substantially all buildings and vehicles acquired with grant funds would revert back to the grantor if those fixed assets would cease to be used in that program.

### NOTE 4 - NOTE PAYABLE

Note payable at March 31, 2010 is as follows:

#### Description

\$200,000 non-interest bearing revolving loan to Louisiana Housing Finance Agency used for Construction of Faith Place Subdivision;	
Outstanding balance due at March 31, 2010	\$184,000



#### NOTE 5- LEASES

At March 31, 2010, the Association had five significant operating leases in effect. The leases cover the buildings in various locations used to serve recipients of the Association's services. Total Rent expense for the year ended March 31, 2010 totaled approximately \$20,000.

The aggregate future minimum lease payments for the five leases is approximately:

Year ended March 31, 2011	<u>\$26,100</u>
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#### NOTE 6 - UTILIZATION OF CONTRIBUTIONS

The following contributions were received and recognized, for financial reporting purposes, by the Association during the year ended March 31, 2010:

<u>Program</u>	<u>Contribution</u>	<u>Amount</u>
Head Start	Food Commodities	\$41,100
Head Start	Rental Space	27,500
Head Start	Professional Services	<u>244,700</u>
Total recognized contributions received		\$ <u>313,300</u>

In addition to the contributions recognized for financial statement purposes, the Association receives other donations primarily from parent volunteers in the Head Start Program. These contributed services and certain other items were not recognized for financial reporting purposes because they do not meet the criteria set forth in FASB Accounting Standards Codification, however, these contributions do meet the matching requirements set forth in the Head Start grant. The sum of recognized and unrecognized "in-kind" contributions and other matching contributions qualifying for the Head Start Program total approximately \$1,240,000.

#### NOTE 7 - EMPLOYEE BENEFIT PLAN

The Association provides a 401(k) savings plan for its eligible employees. All employees with one year of service and an attained age of 20 ½ may participate. Participating employees may elect to contribute up to ten percent of their earnings. The Association may contribute an amount equal to a percent of the participants' contributions. The Association contributed approximately \$61,000 to the plan for the year ended March 31, 2010.

#### NOTE 8 - RELATED ENTITIES

The Association is a participant in a Limited Partnership as a General Partner sharing .5% in profits and losses and .5% in ownership capital. Because of the Association's small amount of ownership and because of certain provisions of the partnership agreement that restrict the Association's activities, the Association does not account for their investment in the partnership under the equity method. Rather, the Association records its share of income or loss when reported by the partnership. The partnership was formed for the purpose of constructing and maintaining a 30 unit low to moderate income townhouse community, "Sparrow Gardens Townhouses", located in Centerville, Louisiana. The total cost of the project was approximately \$1,376,000. This project was completed in 1996.

The Association acting in the capacity of a Community Housing Development Organization (CHDO) is the administrative manager of the complex. The accounting and financial management of the complex is handled by another partner.

In addition to its share of profits or losses, the Association receives \$15 per occupied unit per month as a management fee. Total Fees for the year ended March 31, 2010, totaled approximately \$5,000 and are reported when earned.

The Partnership's year end is December 31, 2009. Total net assets (deficit) of the partnership total (\$287,000) at December 31, 2009. The partnership incurred a net loss of \$53,000 at December 31, 2009. The amount of this loss attributable to the Agency is \$265.

#### NOTE 9 - CONCENTRATIONS

Ninety-one percent of the Association's funding is obtained from federal grants. The largest federal grant administered by the Association is the Head Start program which accounts for seventy percent of the Association's total funding for the year ended March 31, 2010.

#### NOTE 10 - RISK MANAGEMENT AND CONTINGENCIES

The Association is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. In addition, the Association provides certain medical and health benefits to its employees. The Association has purchased commercial insurance to protect against loss from most of these perils and to provide for most of the medical benefits. However, it is the policy of the Association to retain the risk of loss related to the costs of health care benefits for its employees up to \$15,000 in covered benefits per employee per year.

The Association uses a combination of past history and specific claim analysis to estimate its liability for unfunded employee healthcare claims. The Association does not discount the amount of claims to present value, nor has the Association purchased any annuity contracts to settle estimated liabilities.

NOTE 10 - RISK MANAGEMENT AND CONTINGENCIES (continued)

Changes in the Association's estimated claims liabilities for years ended March 31, 2009 and 2010 were:

Liability balance, March 31, 2008	\$ 17,000
Claims during the year ended March 31, 2009	99,000
Claims paid during the year ended March 31, 2009	<u>(110,000)</u>
Estimated liability at March 31, 2009	6,000
Claims during the year ended March 31, 2010	98,000
Claims paid during the year ended March 31, 2010	<u>(93,000)</u>
Estimated liability at March 31, 2010	<u>\$ 11,000</u>

The total expenses reported by the Association for claims related to retained risk for the year ended March 31, 2010 totaled \$98,000.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable program. The Association expects the amounts, if any, of expenditures which may be disallowed by the grantors to be immaterial.

NOTE 11 - SUBSEQUENT EVENTS

The Association's management evaluated whether any events and transactions occurred subsequent to March 31, 2010 through September 27, 2010, the date the Association's financial statements are available to be issued, and determined that there were no material events or transactions that would require recognition or disclosure in the Association's financial statements.

## SUPPLEMENTARY INFORMATION

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
STATEMENT OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2010

18

	General Fund	Head Start #22	Child and Adult Care Food Program	Fatherhood National	Fatherhood State	CSBG	Revolving Loan Fund	JAG	Capital Reserve	Transitional Housing
Support										
Grants										
Federal			\$ 442,926	\$ 268,526	\$ 63,281			\$ 72,672		\$ 70,852
State	\$ 320									
Local									75,000	
Other support										
Utilization of contributed food		\$ 41,100								
Utilization of contributed professional services		244,700								
Utilization of contributed facilities		27,500								
Other	94,287		14,806							
Net assets released from restrictions:										
Satisfaction of program restrictions		4,383,441				\$ 234,821				
Total unrestricted support (deficiency)	94,607	4,696,741	457,732	268,526	63,281	234,821		72,672	75,000	70,852
Expenses										
Salaries	13,450	2,595,224	201,205	47,814	6,647	179,170		49,293		17,290
Benefits	2,153	441,269	27,854	13,187	6,983	34,673		8,668		1,355
Utilization of contributed food		41,100								
Utilization of contributed professional services		244,700								
Professional services	2,393	94,742	1,734	34,656						
Contractual										
Maintenance - facilities		38,089		10,065		671				
Rent	5,614	25,912				3,600		1,500		38,890
Services	7,011	318,897	24,275	80,791	15,573	330				428
Utilization of contributed facilities		27,500								
Supplies	16,922	194,794	9,601	34,102	5,764	4,422		1,765	85	271
Travel and transportation	6,836	153,935	4,031	9,675	3,956	4,037		2,324		
Insurance		185,117	2,322	9,251	2,000	4,282				6,840
Benefits provided to community:										
Emergency assistance	4,483					7,448				
Food	1,641	60,205	205,736	6,042		342				
Medical	6,201	2,949		7,796	1,831	6,169				5,601
Utility payments										
Weatherization										
Home program - subsidy										
Other	2,822	28,878	608	9,293		1,741	59	2,730		452
Depreciation	1,353	101,628	777			1,540				
Utilities, Telephone, Internet	1,258	184,506		16,206	2,464	12,995		1,499		
Total unrestricted expenses	72,137	4,739,445	478,143	278,878	45,218	261,420	59	67,779	85	71,127

Changes in unrestricted net assets	22,470	(42,704)	(20,411)	(10,352)	18,063	(26,599)	(59)	4,893	74,915	(275)
Other changes in unrestricted net assets:										
Transfer in	116,855				800	156		3,090	33,200	
Transfer out	(141,236)		(30,000)		(19,993)			(7,000)	(8,200)	
Increase (decrease) in unrestricted net assets	(1,910)	(42,704)	(50,411)	(10,352)	(1,130)	(26,443)	(59)	983	99,915	(275)
Changes in temporarily restricted net assets										
Support										
Grants						234,821				
Federal		4,384,574								
State										
Local										
Net assets released from restrictions:										
Satisfaction of program restrictions		(4,383,441)				(234,821)				
Other changes in temporarily restricted net assets:										
Transfer of buildings constructed with grant funds:										
Transfer out from program constructing building	724,677	3,463,105								
Transfer in to program utilizing building										
Increase (decrease) in temporarily restricted net assets	724,677	3,464,238	-	-	-	-	-	-	-	-
Increase (decrease) in net assets	722,767	3,421,534	(50,411)	(10,352)	(1,130)	(26,443)	(59)	983	99,915	(275)
Net assets at March 31, 2009	51,443	1,207,943	189,355	15,285	1,355	-	58,426	44,049	100,543	1,697
Net assets at March 31, 2010	\$ 774,210	\$ 4,629,477	\$ 138,944	\$ 4,933	\$ 225	\$ (26,443)	\$ 58,367	\$ 45,032	\$ 200,458	\$ 1,422

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
STATEMENT OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2009

	HUD Homeless	Parish Council	OCS /Wrap Around	LIHEAP	Medicaid	Weatherization	Head Start Construction	Rural Dev. Tech Asst.	FEMA Emergency Assistance
Support Grants									
Federal		\$ 272,600	\$ 49,293		\$ 1,855	\$ 295,655			\$ 8,942
State		103,222							
Local		27,500							
Other support									
Utilization of contributed food									
Utilization of contributed professional services									
Utilization of contributed facilities								2,104	
Other									
Net assets released from restrictions:									
Satisfaction of program restrictions	\$ 70,673			\$ 1,059,488					
Total unrestricted support (deficiency)	70,673	403,322	49,293	1,059,488	1,855	295,655	-	2,104	8,942
Expenses									
Salaries	32,604	222,461	6,649	29,246		52,549		12,488	
Benefits	12,263	63,628	5,080	6,146		12,650		4,308	
Utilization of contributed food									
Utilization of contributed professional services									
Professional services			9,974	9,676					
Contractual									
Maintenance - facilities									
Rent									
Services	1,158	25,116	3,807				26,896		
Utilization of contributed facilities									
Supplies	3,739	4,201	4,537	7,495		3,913		85	198
Travel and transportation	26	7,442	3,179	2,608		7,560			
Insurance		4,042	2,627	5,255		463			
Benefits provided to community:									
Emergency assistance	11,660								7,331
Food	49		66	98					1,375
Medical	3,102	7,143				5,829		1,237	
Utility payments				994,424					
Weatherization						257,325			
Home program - subsidy									
Other	1,291	4,554	13,174	4,540		2,518		29	45
Depreciation		4,321				507			
Utilities, Telephone, Internet	2,023	5,364	1,351			250			
Total unrestricted expenses	67,915	348,272	50,444	1,059,488	-	343,564	26,896	18,147	8,949

Changes in unrestricted net assets	2,758	55,050	(1,151)	-	1,855	(47,909)	(26,896)	(16,043)	(7)
Other changes in unrestricted net assets:									
Transfer in		30,965	12,225			2,000	35,645	17,604	
Transfer out			(26,633)	(38,200)	(3,000)				
Increase (decrease) in unrestricted net assets	2,758	86,015	(15,559)	(38,200)	(1,145)	(45,909)	8,749	1,561	(7)
Changes in temporarily restricted net assets									
Support									
Grants									
Federal	70,673			1,086,031			1,636,416		
State				11,908					
Local									
Net assets released from restrictions:									
Satisfaction of program restrictions	(70,673)			(1,059,488)					
Other changes in temporarily restricted net assets:									
Transfer of buildings constructed with grant fund:							(3,463,105)		
Transfer out from program constructing building									
Transfer in to program utilizing building									
Increase (decrease) in temporarily restricted net assets	-	-	-	38,451	-	-	(1,826,689)	-	-
Increase (decrease) in net assets	2,758	86,015	(15,559)	251	(1,145)	(45,909)	(1,817,940)	1,561	(7)
Net assets at March 31, 2009	6,192	(17,520)	(2,249)	78,906	(3,297)	34,861	3,363,692	(4,594)	3,814
Net assets at March 31, 2010	\$ 8,950	\$ 68,495	\$ (17,808)	\$ 79,157	\$ (4,442)	\$ (11,048)	\$ 1,545,752	\$ (3,033)	\$ 3,807



ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.  
STATEMENT OF ACTIVITY BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2010

22

	Summer Feeding Program	Emergency Shelter	Housing Department	Katrina Fund	Affordable Housing (Faith Place)	Isaiah's House	CAA Capital Outlay	Headstart ARRA	Weatherization Stimulus	CSBG ARRA Stimulus	Total All Programs
Support											
Grants											
Federal	\$ 79,236	\$ 15,571						\$ 179,914		\$ 40,000	1,787,245
State			97,076	14,715							289,411
Local			13,400								115,900
Other support											
Utilization of contributed food											41,100
Utilization of contributed professional services											244,700
Utilization of contributed facilities											27,500
Other					1,800	\$ 3,525					116,522
Net assets released from restrictions:											
Satisfaction of program restrictions									190,980		5,939,403
Total unrestricted support (deficiency)	79,236	15,571	110,476	14,715	1,800	3,525	-	179,914	190,980	40,000	8,561,781
Expenses											
Salaries	26,585		52,927					122,853	95,506	8,105	3,772,066
Benefits	2,709		8,021					657	12,865	801	665,270
Utilization of contributed food											41,100
Utilization of contributed professional services			11,020	6,808				7,000			244,700
Professional services											178,003
Contractual											
Maintenance - facilities								20,850			69,675
Rent			175							400	76,091
Services		1,110	9,906	2,450	15,731	1,994		190			535,663
Utilization of contributed facilities											27,500
Supplies	5,021	1,760	9,437		85	85		41,811	2,016	1,047	353,156
Travel and transportation	340		20,839	2,357	4,774				2,732	1,207	237,858
Insurance	2,568	4,500	381	3,380		179					233,207
Benefits provided to community:											
Emergency assistance		4,753								800	36,475
Food	37,166		1,014								313,734
Medical											49,760
Utility payments			600						1,902		995,024
Weatherization											330,541
Home program - subsidy		780	8,426	161	150,010	550		7,603	1,428		150,010
Other	2,444		2,800	1,328	6,969					751	101,846
Depreciation											114,254
Utilities, Telephone, Internet	2,073	3,142	4,734		1,000	475		1,354	1,315	587	242,596
Total unrestricted expenses	78,906	16,045	130,280	16,484	178,569	3,283	-	202,318	190,980	13,698	8,768,529

Changes in unrestricted net assets	330	(474)	(19,804)	(1,769)	(176,769)	242	-	(22,404)	-	26,302	(206,748)
Other changes in unrestricted net assets:											
Transfer in				(13,500)			35,200			250	287,990
Transfer out							(229)				(287,990)
Increase (decrease) in unrestricted net assets	330	(474)	(19,804)	(15,269)	(176,769)	242	34,971	(22,404)	-	26,552	(206,748)
Changes in temporarily restricted net assets											
Support											
Grants											
Federal					307,553		79,057		491,389		8,290,514
State											11,908
Local					20,000						20,000
Net assets released from restrictions:											-
Satisfaction of program restrictions									(190,980)		(5,939,403)
Other changes in temporarily restricted net assets:											
Transfer of buildings constructed with grant fund:							(724,677)				(4,187,782)
Transfer out from program constructing building											4,187,782
Transfer in to program utilizing building											
Increase (decrease) in temporarily restricted net assets	-	-	-	-	327,553	-	(645,620)	-	300,409	-	2,383,019
Increase (decrease) in net assets	330	(474)	(19,804)	(15,269)	150,784	242	(610,649)	(22,404)	300,409	26,552	2,176,271
Net assets at March 31, 2009	1,867	4,054	90,126	40,396	(183,071)	1,620	610,649	-	-	-	5,695,542
Net assets at March 31, 2010	\$ 2,197	\$ 3,580	\$ 70,322	\$ 25,127	\$ (32,287)	\$ 1,862	\$ -	\$ (22,404)	\$ 300,409	\$ 26,552	\$ 7,871,813

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**

**Schedule of Expenditures of Federal Awards  
For the Year Ended March 31, 2010**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENSES INCURRED</u>
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program	10.558	\$ 442,926	\$ 478,143
Summer Food Service Program for Children (Summer Feeding Program)	10.559	79,236	78,906
Rural Business Enterprise Grants	10.769	2,104	18,147
Total U.S. Department of Agriculture		524,266	575,196
<u>U.S. Department of Transportation</u>			
Passed through Louisiana Department of Transportation and Development			
Job Access Reverse Commute	20.516	272,600	272,600
Total U.S. Department of Transportation		\$ 272,600	\$ 272,600
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Louisiana Department of Social Services Office of Community Services			
Passed through the St. Mary Parish Council			
Emergency Shelter Grants Program	14.231	\$ 15,571	\$ 16,045
Supportive Housing Program	14.235	141,525	139,042
Passed through Louisiana Housing Finance Agency (LHFA)			
Home Investment Partnerships Program	14.239	307,553	307,553
Total U.S. Department of Housing and Urban Development		\$ 464,649	\$ 462,640
<u>U.S. Department of Energy</u>			
Passed through LHFA			
Passed through Louisiana Association of Community Action Partnerships, Inc. (LACAP)			
Weatherization Assistance for Low-income Persons	81.042	\$ 295,655	\$ 343,564
ARRA - Weatherization Assistance for Low-income Persons	81.042	491,389	190,980
Total U.S. Department of Energy		\$ 787,044	\$ 534,544

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ <u>PROGRAM TITLE</u>	FEDERAL CFDA <u>NUMBER</u>	<u>REVENUE</u> <u>RECOGNIZED</u>	<u>EXPENSES</u> <u>INCURRED</u>
<u>U.S. Department of Health and Human Services</u>			
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	\$ 268,526	\$ 278,878
Passed through Louisiana Department of Social Services			
Temporary Assistance for Needy Families	93.558	49,293	50,444
Passed through the Louisiana Department of Education			
Temporary Assistance for Needy Families	93.558	72,672	67,779
Passed through LHFA			
Passed through LACAP			
Low income Home Energy Assistance	93.568	1,086,031	1,059,488
Passed through Louisiana Department of Labor			
Community Services Block Grant	93.569	234,821	259,881
ARRA - Community Serves Block Grant	93.569	40,000	13,698
Administration for Children and Families Head Start	93.600	4,384,574	4,383,441
Head Start - Construction	93.600	1,609,520	1,609,520
ARRA - Head Start	93.600	<u>179,914</u>	<u>202,318</u>
Total U.S. Department of Health and Human Services		<u>\$ 7,925,351</u>	<u>\$ 7,925,447</u>
<u>Department of Homeland Security</u>			
Emergency Food and Shelter National Board Program	97.024	<u>\$ 8,942</u>	<u>\$ 8,949</u>
Total Federal Emergency Management Agency		<u>8,942</u>	<u>8,949</u>
Total Federal Financial Assistance		<u>\$ 9,982,852</u>	<u>\$ 9,779,376</u>

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended March 31, 2010**

**NOTE 1 - REPORTING METHOD**

Except for Head Start, CSBG, and Home Investment Partnership Program (HOME) all revenues and expenses on this schedule are reported on the basis of generally accepted accounting principles.

**NOTE 2 - HEAD START**

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule of Expenditures of Federal Awards for Head Start Program Operations is as follows:

Total unrestricted expenses per financial statement	\$4,739,445
Add: Fixed asset additions	58,924
Less: Depreciation expense	(101,628)
Contributions	<u>(313,300)</u>
 Total expenses incurred per Schedule of Expenditures of Federal Awards	 <u>\$4,383,441</u>

The Association received a grant for construction of Head Start facilities. For grant reporting purposes, expenditures for construction of the facilities are considered to be grant expenses, however for financial statement purposes these expenditures are capitalized as fixed assets.

**NOTE 3 - COMMUNITY SERVICE BLOCK GRANT**

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule of Expenditures of Federal Awards for Community Service Block Grant operations is as follows:

Total unrestricted expenses per financial statement	\$261,421
Less: Depreciation expense	<u>1,540</u>
Total expenses incurred per Schedule of Expenditures Of Federal Awards	<u>\$259,881</u>

#### Note 4 – HOME PROGRAM

The Association received a grant to subsidize the construction of homes for certain qualified low income home buyers.

Program operating costs are charged as expenses for both grant reporting and financial reporting purposes. Home construction costs are charged as expenses for grant reporting purposes, however the portion of construction costs to be recovered from buyers is capitalized on unsold homes for financial reporting purposes, until the homes are sold.

#### NOTE 5 - SUPPORTIVE HOUSING

Revenue for supportive housing programs as reported on the Schedule of Expenditures of Federal Awards, is reported in two funds as follows:

Transitional Housing	\$ 70,852
HUD Homeless	<u>70,673</u>
Total Revenue recognized per Schedule of Expenditure of Federal Awards	<u>\$141,525</u>

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE  
AND OTHER MATTERS



REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
St. Mary Community Action Committee Association, Inc.  
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 2010, and have issued our report thereon dated September 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

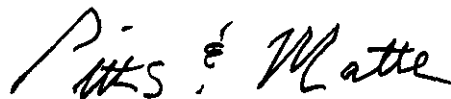


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Mary Community Action Committee Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, awarding agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

September 27, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
St. Mary Community Action Committee Association, Inc.  
Franklin, Louisiana

Compliance

We have audited the compliance of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2010. The St. Mary Community Action Committee Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Mary Community Action Committee Association Inc.'s management. Our responsibility is to express an opinion on the St. Mary Community Action Committee Association, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Mary Community Action Committee Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the St. Mary Community Action Committee Association, Inc.'s compliance with those requirements.

In our opinion, St. Mary Community Action Committee Association, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2010.

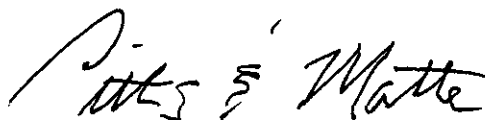
#### Internal Control Over Compliance

The management of St. Mary Community Action Committee Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered St. Mary Community Action Committee Association, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control over compliance.

A deficiency in a entity's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended for the information and use of management, awarding agencies, and the Legislative Auditor of the State of Louisiana, and it not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

September 27, 2010

**ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS, AND QUESTIONED COSTS**  
**For the Year Ended March 31, 2010**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the St. Mary Community Action Committee Association, Inc.
2. No control deficiency was disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the St. Mary Community Action Committee Association, Inc. were disclosed during the audit.
4. No findings were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the St. Mary Community Action Committee Association, Inc. expresses an unqualified opinion on all major federal programs.
6. No audit findings relative to major federal award programs for the St. Mary Community Action Committee Association, Inc., are reported in Part C of this Schedule.
7. The six programs tested as major programs are:
  - A. Child and Adult Care Food Program (CFDA No. 10.558)
  - B. Home Investment Partnership Programs (CFDA No. 14.239)
  - C. Weatherization Assistance for Low-Income Persons including  
ARRA – Weatherization Assistance for Low-Income Persons  
(CFDA No. 81.042)
  - D. Low-Income Home Energy Assistance Program (CFDA No. 93.568)
  - E. Head Start including Head Start ARRA (CFDA No. 93.600)
8. The threshold for distinguishing types A and B programs was \$300,000.
9. St. Mary Community Action Committee Association, Inc. was not determined to be a low risk auditee.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**NO MATTERS TO BE REPORTED**

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM  
AUDIT

NO MATTERS TO BE REPORTED

D. SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION  
PREPARED BY ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

ITEM NO. 2009-1 RECONCILIATION BETWEEN OPERATING FUNDS AND  
DISBURSEMENT ACCOUNT

Auditors' Finding: The Association's current accounting system makes it difficult to track each program's share of the general disbursements bank account.

Corrective Action:

This condition was corrected in 2010.